

**A RESOLUTION
BY TRANSPORTATION COMMITTEE**

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AMENDMENT 10 TO THE CPTC AGREEMENT AND LEASE WITH ATLANTIC SOUTHEAST AIRLINES, INC. ("ASA") WHICH SHALL PROVIDE FOR THE EXPANSION AND RENOVATION OF CONCOURSE C-NORTH AND THE REIMBURSEMENT TO ASA BY THE CITY FOR AN AMOUNT NOT TO EXCEED \$23,250,000.00 TO BE CHARGED TO AND PAID FROM PTAE0 18102429 (CONCOURSE C ASA) 107 (TASK) 550281248 (DOA R N E AMT GARBS 93EA) 5414002 (FACILITIES OTHER THAN BUILDINGS) AND FDA 5502 (AIRPORT RENEWAL & EXTENSION) 180201 (DOA AVIATION CAPITAL PLANNING & DEVELOPMENT) 5414002 (FACILITIES OTHER THAN BUILDINGS) 7563000 (AIRPORT) 102429 (CONCOURSE C ASA) 81248 (DOA CP AMT GARBS 93EA) 0000 00000000 00000000; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta ("City") and ASA have entered into an Agreement and Lease of Premises, dated October 1, 1990, covering occupancy and use of facilities in the Terminal Building and Concourses of the Central Passenger Terminal Complex ("CPTC") at Hartsfield-Jackson Atlanta International Airport ("CPTC Lease"), which lease was consolidated as of August 1, 1990 incorporating Amendments 1 through 8; and

WHEREAS, the City and ASA entered into Amendment 9 to the CPTC Lease ("Amendment 9") dated July 12, 2005 pursuant to which ASA leased additional Exclusive Leased Premises; and

WHEREAS, Amendment 9 required ASA to make certain improvements to Concourse C North (the "Original Project") and for the City to reimburse ASA up to a maximum of \$20,000,000.00 ("A9 Authorized Amount") for the cost of the Original Project; and

WHEREAS, \$2,145,105.00 ("CRC Costs") has been disbursed by the City to ASA as reimbursement for the conversion of the former Eastern Airlines Ionosphere Room into a Delta Air Lines, Inc. ("Delta") Crown Room Club; and

WHEREAS, other than the completion of the Delta Crown Room Club, the improvements associated with the Original Project contemplated by Amendment 9 have been significantly revised. The Revised Concourse C North Renovation Project ("RCNR Project") would include, but not be limited to, the renovation of essentially all of ASA's Concourse C-North Premises and the installation of passenger jet bridges and related infrastructure; and

WHEREAS, the City and ASA now desire to further amend the CPTC Lease to (i) revise and update the description and scope of the Original Project (ii) increase the maximum

project cost from \$20,000,000.00 to \$43,250,000.00; (iii) reduce ASA's leased premises on Concourse C north to reflect the permanent surrender of approximately 1,042 square feet of apron level space, approximately 6,790 square feet of ramp space and approximately 2,951 square feet boarding level space; and to increase the leased premises on Concourse C North to include approximately 7,721 square feet of additional boarding level space and approximately 6,878 square feet of additional apron level space; (iv) provide that the City will reimburse ASA for the costs associated with the RCNR Project for a total project cost of \$43,250,000.00 (which sum includes the A9 Authorized Amount); (v) provide that ASA will repay to the City the reimbursed costs associated with the Revised Project through increased monthly rentals; and (vi) to include such other terms, conditions, and provisions as may be required by City ordinances or Federal regulations or which are otherwise deemed appropriate by the Aviation General Manager.

WHEREAS, it is necessary to amend the CPTC Lease to reflect the changes to the Leased Premises resulting from the RCNR Project and to provide that the costs incurred by ASA to complete the RCNR Project will be reimbursed to ASA by the City up to a maximum of \$43,250,000.00.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, that the Mayor is authorized to execute on behalf of the City of Atlanta an Amendment 10 to the CPTC Lease with ASA, with the same to be approved as to form by the City Attorney.

BE IT FURTHER RESOLVED that the cost to the City associated with Amendment 10 will be charged to and paid from Fund PTAE0 18102429 (Concourse C ASA) 107 (TASK) 550281248 (DOA R N E AMT GARBS 93EA) 5414002 (Facilities Other Than Buildings) and FDA 5502 (Airport Renewal & Extension) 180201 (DOA Aviation Capital Planning & Development) 5414002 (Facilities Other Than Buildings) 7563000 (Airport) 102429 (Concourse C ASA) 81248 (DOA CP AMT GARBS 93EA) 0000 00000000 00000000.

BE IT FURTHER RESOLVED that the City Attorney is directed to modify as necessary and approve Amendment 10 for execution by the Mayor.

BE IT FINALLY RESOLVED that said Amendment 10 shall not become binding upon the City, and the City shall incur no obligation or liability thereunder until same have been signed by the Mayor and delivered to all parties.

Part II: Legislative White Paper: (This portion of the Legislative Request Form will be shared with City Council members and staff)

A. To be completed by Legislative Counsel:

Committee of Purview:

Caption:

Council Meeting Date:

Requesting Dept.:

FAC Confirmed by:

B. To be completed by the department:

1. Please provide a summary of the purpose of this legislation (Justification Statement).

Example: The purpose of this legislation is to anticipate funds from a local assistance grant to purchase child safety seats.

This legislation would authorize execution of Amendment 10 to the CPTC Lease with ASA. In order to better serve its passengers, ASA has proposed modifications and improvements which are collectively referred to as the Revised Concourse C-North Renovation Project ("RCNR Project"). The proposed Amendment 10 would modify ASA's CPTC leased premises, provide for the reimbursement of the cost of the RCNR Project up to a maximum amount of \$43,250,000 (which amount includes the \$20,000,000 authorized by Amendment 9 to ASA's CPTC Lease) and adjust ASA's CPTC rentals to reflect the modified premises and the repayment of the reimbursed costs of the RCNR Project.

2. Please provide background information regarding this legislation.

Example: The task force of homelessness conducted a study regarding homelessness, its impact and consequences on the City. This resolution reflects the Mayor's desire to open a twenty-four hour center that will respond to the needs of the homelessness in Atlanta.

In 2004, ASA proposed the Concourse C North Renovation Project ("CCNR Project") and the Atlanta City Council adopted Resolution 04-R-1675 ("R-1675") authorizing the Mayor to execute Amendment 9 to the CPTC Lease. R-1675 authorized the renovation and lease of the former Eastern Airlines Ionosphere Club on Level 3 of Concourse C-North and other improvements and additions that were all part of the CCNR Project. Amendment 9 was executed and the Ionosphere Club was renovated and reopened as a Delta Crown Room. As a result of the financial difficulties of ASA's parent company (Delta Air Lines) and the potential sale of ASA, the remainder of the then contemplated C-North Renovation Project was placed on hold. After the sale of ASA by Delta to Sky West, the scope of the CCNR Project was revised and therefore most of the remainder of the work contemplated by R-1675 was not completed. ASA now proposes to expand the scope of the CCNR Project to include, among other things, additional hold room space and the addition of jet bridges to replace the ramp level covered walkways to the aircraft.

3. If Applicable/Known:

- (a) **Contract Type (e.g. Professional Services, Construction Agreement, etc):**
- (b) **Source Selection:**
- (c) **Bids/Proposals Due:**
- (d) **Invitations Issued:**
- (e) **Number of Bids:**
- (f) **Proposals Received:**
- (g) **Bidders/Proponents:**
- (h) **Term of Contract: Through 9/20/2010**

4. Fund Account Center (Ex. Name and number):

Fund: _____ **Account:** _____ **Center:** _____

5. Source of Funds: *Example: Local Assistance Grant*

6. Fiscal Impact: None

Example: This legislation will result in a reduction in the amount of _____ to Fund Account Center Number _____.

7. Method of Cost Recovery: Increased rental

Examples:

- a. Revenues generated from the permits required under this legislation will be used to fund the personnel needed to carry out the permitting process.*
- b. Money obtained from a local assistance grant will be used to cover the costs of this Summer Food Program.*

This Legislative Request Form Was Prepared By: David Sellers

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE

ATTN: GREG PRIDGEON

Dept.'s Legislative Liaison: Anita Williams

Contact Number: 404-530-6600

Originating Department: Aviation

Committee(s) of Purview: Transportation

Chief of Staff Deadline: 6/18/08

Anticipated Committee Meeting Date(s): 7/02/08

Anticipated Full Council Date: 7/07/08

Commissioner Signature: 

CAPTION

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AMENDMENT 10 TO THE CPTC AGREEMENT AND LEASE WITH ATLANTIC SOUTHEAST AIRLINES, INC. ("ASA") WHICH SHALL PROVIDE FOR THE EXPANSION AND RENOVATION OF CONCOURSE C-NORTH AND THE REIMBURSEMENT TO ASA BY THE CITY FOR AN AMOUNT NOT TO EXCEED \$23,250,000.00 TO BE CHARGED TO AND PAID FROM PTAE0 18102429 (CONCOURSE C ASA) 107 (TASK) 550281248 (DOA R N E AMT GARBS 93EA) 5414002 (FACILITIES OTHER THAN BUILDINGS) AND FDA 5502 (AIRPORT RENEWAL & EXTENSION) 180201 (DOA AVIATION CAPITAL PLANNING & DEVELOPMENT) 5414002 (FACILITIES OTHER THAN BUILDINGS) 7563000 (AIRPORT) 102429 (CONCOURSE C ASA) 81248 (DOA CP AMT GARBS 93EA) 0000 00000000 00000000; AND FOR OTHER PURPOSES.

FINANCIAL IMPACT (if any) \$23,250,000.00

Mayor's Staff Only

Received by CPO: _____ Received by LC from CPO: _____
(date) (date)

Received by Mayor's Office: 6.18.08  Reviewed by: 
(date) (date)

Submitted to Council: _____
(date)